

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2322
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B.
No. 2322, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CAPITAL INFRASTRUCTURE TAX
CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to support maritime
dependent operators who are being displaced by the Kapalama
container terminal project.

More specifically, this measure:

- (1) Establishes a capital infrastructure tax credit for
tenants displaced by the Kapalama container terminal
project;
- (2) Allows allocations of the capital infrastructure tax
credit to a partner under a partnership agreement even
if the allocation does not have substantial economic
effect;
- (3) Recaptures a portion of the capital infrastructure tax
credit if certain conditions are not met at the close of
any taxable year; and
- (4) Temporarily reestablishes the technology infrastructure
renovation tax credit.



Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii, Navatek Ltd., Pacific Marine, Pacific Shipyards International, and sixty-seven individuals. The Department of Commerce and Consumer Affairs, Department of Transportation, Tax Foundation of Hawaii, and one individual submitted written comments on the measure.

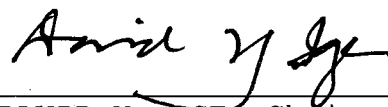
Your Committee recognizes that the Kapalama container terminal project is critical to modernizing commercial harbors and that completion of the project will ensure that harbor infrastructure will support sustained economic growth. Your Committee notes that no funds have been set aside to assist displaced maritime and waterfront dependent tenants of the Kapalama site. Your Committee finds that the displaced tenants will be relocated to various piers that have limited infrastructure, facilities, and utilities and that will require significant capital improvement to state-owned land. In light of state support provided for University of Hawaii-related tenants that have been displaced by the Kapalama container terminal project, your Committee believes that it is appropriate to also support the maritime dependent operators in Kapalama who are being displaced by the project.

Your Committee has amended this measure by:

- (1) Deleting language related to reestablishing the technology infrastructure renovation tax credit; and
- (2) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2322, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2322, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2322, SD1	Committee Referral: EGH, WAM	Date: 2-25-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
12	1	0	0	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-between; font-size: small;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes